

Lanesboro Public Utilities
Council Chambers
July 22, 2013

Commissioners Present: Gerald Evenson, Chair
Dennis Schuck

Staff Present: David Todd
Jerod Wagner

Regular Meeting

Commissioner Evenson called the meeting to order at 10:32 a.m. Commissioner Evenson moved to adopt the agenda. Motion was seconded by Commissioner Schuck. Motion carried.

Commissioner Evenson moved to approve the minutes of the June 10 and June 17th, 2013 meetings. Motion was seconded by Commissioner Schuck. Motion carried.

New Business

A. Dairy Land Power Update-STIS Agreement

Commissioner Evenson provided an update of the Dairy Land Power conference that was attended by Commissioner Schuck as well as Utility Supervisor Jared Wagner. Evenson stated that power was going to be more expensive in 2015 compared to previous years. Likewise they are dispatching the use of diesel to fuel the generators. Evenson stated that he did some checking and that prior to dispatching diesel from Lanesboro's system, rather than disposing of it, he indicated that there is a sediment test that is available to test the fuel prior to use or disposal. He indicated that Jared should test the fuel first before looking into other options.

B. Sewer/Water Rate Increase

1. Water Base Rate Comparison: Harmony (10.00 bse/4.65 per 1,000 g)
Lanesboro (7.50, 3.00 meter = 10.50 bse/3.77 per 1,000 g)
2. Sewer Base Rate Comparison: Harmony (18.00 per month/7.25 per 1,000g) Lanesboro (14.50 per month/3.77 per 1,000g)

Utility Supervisor Jared Wagner suggested that the commission wait to see what the scope of the water project is going to encompass before making any changes to the water and sewer rates. Commissioner Evenson and Schuck agreed. Item will be tabled until next meeting.

C. Davy Engineering-Request Approval for Water Test Pilot

City Administrator Todd advised the Commission that the Water Test Pilot Project as described in the communication from Davy Engineering must be undertaken before the larger Water Radium Project could proceed. The MN Dept. of Health mandated that the test pilot be implemented and there was no way around it. Davy Engineering stated that the water pilot test would be conducted by TONKA Equipment Company who will provide the equipment and operator for the pilot project. Davy recommended the commission approve this proposal as soon as possible because the pilot project would take approximately 6-8 weeks to set up and operate. The costs associated with the water pilot test are as follows: \$11,900 for the equipment and operator, \$2,500 for engineering coordination, and \$3,000 for lab analysis for a total of \$17,400. Davy stated that the costs associated with the pilot project will be eligible for the funding options discussed in Davy's proposal (combinations of grant/loan sources). Commissioner Evenson made a motion to proceed with the Water Pilot Test Project. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Within the broader scope of the Water Project as a whole, the PUC decided to discuss the options available to proceed with the project. The options presented included an option C Downtown Fire Protection District. This included placing a new pressure release valve (PRV) and a new water main for the downtown loop. Davy stated that this option, while desirable, could be deferred at this time. After some discussion, the PUC indicated that the city proceed with options A and B but to eliminate option C at this time. The PUC also indicated that instead of placing all five PRVs above ground, they leave two underground and three above ground. The cost savings associated with the PRVs will allow the city to build a storage facility for equipment used by the utility department. Commissioner Evenson made a motion to proceed with Options A and B but to eliminate Option C, with modifications to include three PRVs placed underground and leave the remaining two underground and to include a storage facility for utility equipment. Motion was seconded by Schuck. Motion carried all in favor.

Regular Business

A. Paying Bills

Commissioner Evenson moved to pay expenses of the Public Utilities. Motion seconded by Commissioner Schuck. Motion carried.

B. Past Due Accounts

1. Shut Off Notice for 704 Auburn Ave South

Jared Wagner placed a disconnect notice on the door to the property located at 704 Auburn Ave S.

2. Policy on Collection of Past Due Accounts

City Administrator will seek a sample policy from the League of Minnesota Cities regarding the collection of past due utility accounts.

C. Water Radium Issues: Options and Funds

The PUC motioned to pursue options A and B and eliminate option C as noted earlier within the meeting minutes. Funding is contingent on factors noted within the project proposal from Davy Engineering. Application packets for the Drinking Water Revolving Fund and the Small Cities Development Program will be available in August and September respectively. Davy Engineering will handle the application procedures once the PUC advises to go ahead with pursuing the selected method of financing.

D. Electric Line Loss

Commissioner Evenson advised the PUC of two unmetered light lights; one at the golf course and one at the softball field. It is unclear at present who pays for those lights (city, or private). If a responsible party cannot be identified or a party does not want to claim responsibility for the bill associated with the light, they will be disconnected.

E. Roof for Light Plant-Status Update

Jared Wagner indicated that the roof has been measured up in square feet and they are moving forward with the roof replacement.

F. Photovoltaic Project at Depot-Sample Policy

Jared Wagner advised the PUC that they are currently into phase II of the project. The intent of the Utility is to use CIP program to turn this into a larger project.

G. Security Light at Golf Course Parking Lot-Where Billed?

Commissioner Evenson asked the City Administrator and utility supervisor to find out where the light is billed. Another possibility to combat line loss would be to place an electric eye on the light which would shut it off during the day; it currently runs 24 hours a day.

H. Trickling Filter Building- Steel Siding Status Update

There is nothing to report and no action taken at this time.

I. Next Meeting-August 19th, 2013

J. Miscellaneous Items

PUC Chair Jerry Evenson advised that Theresa Coleman had sent a request and resume' to be considered for the open PUC seat vacated by Joe O'Connor. Commissioner Evenson indicated that Coleman would be a good fit for the open seat as she had been the Interim City Administrator for the City of Lanesboro until the city hired David Todd for the position. Her knowledge of the ongoing and current projects that the city and PUC are undertaking would make her appointment to the PUC a seamless transition. Likewise, her experience as a City Administrator would bring a level of experience to the PUC in terms of project management, navigation of financing options, and knowledge of the procedures of a council-manager system of governance and also that of how the commission operates would be beneficial to the PUC.

*Commissioner Evenson was advised that the Minnesota statute allows that the PUC makes the recommendation to the city council and the city council makes the appointment. Likewise, the statute states that the PUC appointment **may** be a council member although there is no mandate for the appointed commissioner to be a council member.*

Commissioner Evenson made a motion to recommend to the council that Theresa Coleman be appointed as a member of the PUC to fill the seat vacated by Joe O'Connor for the remainder of O'Connor's term. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

K. Theresa Coleman Proposal

The PUC was provided a copy of a proposal by Theresa Coleman regarding records management, organization, and retention for the city of Lanesboro Public Utilities Commission as well as city records. There is a desperate need for these projects as there is currently no discernible records keeping procedure in place and it takes valuable staff time in order to locate information. Due to the status of the current city administrator being newly appointed, and to aid in his transition to his new position, it was recommended that Coleman assist in this regard. The City Council requested that Coleman submit a proposal to include the cost of the project and submit it with the next Council and PUC agenda. The following is a transcript of the proposal submitted by Coleman:

Need:

- *Public Utilities Payroll and Employee Records have not been organized for ease of reference or in compliance with HIPPA regulations.*
- *Public Utilities Commission Minutes and Agendas have not been organized for ease of reference.*
- *Public Utilities Project Records have not been organized for ease of reference.*
- *Property Records have not been organized by property address for ease of reference.*
- *City Ordinance related to Public Utilities does not include a current fee schedule. Some sections may be considered outdated and do not address current trends.*
- *An organized and well-labeled record retention and data management system will save valuable staff time.*
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Description of Project:

- *Provide a well-organized and intuitive organizational system for records retention and data management.*
- *Provide assistance with the development of current ordinance to meet the needs of the current Public Utilities Commission and customers.*

Project Methodology:

- *Complete a thorough review of all Public Utilities and City Administration records.*
- *Create systems for ease of reference and maintenance by current and future staff.*
- *Create a comprehensive record for each property within the Public Utilities Service area that includes permits, surveys, and correspondence related to utility services.*

Work Plan:

- *Beginning August 12, 2013, complete a thorough review of all Public Utility Commission, City Administration, and Public Utilities office records currently stored at City Hall and the Public Utilities offices by August 23, 2013.*
- *Beginning August 26, 2013, complete recommendations to the Public Utilities Commission for revisions to the Ordinance by September 6, 2013.*
- *Beginning September 9, 2013, organize electric, water, sewer and dam project records; organize utility system and project maps; and organize property records by September 20, 2013.*
- *Beginning September 23, 2013, complete organization of payroll, employee and permanent records for the Public Utilities Commission by September 27, 2013.*

Budget:

The total cost for all services will be \$5,000 billed in equal installments upon completion of each segment of the work plan and confirmation, by the City Administrator, that the quality of the work meets professional standards. The Public Utilities Commission as approved by the City Administrator will provide all supplies incidental to records retention and data management.

PUC Chair Jerry Evenson made a motion to accept the proposal submitted by Theresa Coleman for the services outlined within the proposal and to accept the PUC's portion of the total cost of the proposal to be shared by the City Council. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Respectfully Submitted:

David Todd
City Administrator